



**Iowa Spending Plan for Implementation of the  
American Rescue Plan Act of 2021,  
Section 9817  
October 2021**

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## **Iowa Spending Plan for Implementation of the American Rescue Plan Act of 2021, Section 9817**

### **Letter from the Iowa Medicaid Administrator**

Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
Via email: [HCBSincreasedFMAP@cms.hhs.gov](mailto:HCBSincreasedFMAP@cms.hhs.gov)

Centers for Medicare and Medicaid Services,

The Iowa Department of Human Services and the Iowa Medicaid Enterprise appreciates CMS' partial approval of Iowa's proposed spending plan and narrative in response to SMDL #21-003 dated May 13, 2021. Iowa agrees to maintain compliance with program requirements as stated in the SMDL#21-003, including the following:

- Iowa will use the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid Home and Community-Based Services (HCBS) in effect as of April 1, 2021.
- Iowa will use the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.
- Iowa will not impose stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021.
- Iowa will preserve covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- Iowa will maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021.

Iowa would also like to affirm the understanding of the requirements outlined in the letter received September 13, 2021, including:

- Iowa understands that that approval of the spending plan or of any activities within the spending plan by CMS does not constitute approval for purposes of claiming federal financial participation. Iowa will continue to comply with all existing federal requirements for allowable claims, including documenting expenditures and draws to ensure a clear audit trail for the use of federal funds reported on the Form CMS-37 and the Medicaid Program Budget Report and the Form CMS-64, Quarterly Medicaid Statement of Expenditures.
- Iowa will continue to follow the applicable rules and processes for section 1915(c) waivers, other Medicaid HCBS authorities, including state plan amendments and section 1115 demonstrations, and other managed care authorities (as applicable), when making changes

to an HCBS program and intend to use state funds equivalent to the funds attributable to the increased FMAP to pay the state share of the costs associated with those changes.

#### Spending Plan Activity Response October 2021.

The Iowa Department of Human Services and the Iowa Medicaid Enterprise appreciate the request for additional information about the proposed projects outlined in our spending plan and narrative. Below, please find the responses to your questions included in the letter received September 13, 2021.

1. Clearly indicate whether the activities under the following categories are targeted at providers delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit):
  - Increased Training and Support: Provider Training Platform; HCBS Employee Training and Scholarship Grant Program; Crisis Response Provider Training; and Health IT Infrastructure.
  - Expanded Access: Behavioral Health, Aging, and Disability Services System Evaluation (Study); Behavioral Health, Aging, and Disability Services System Realignment Implementation; Development Grant - Community-Based Neurobehavioral Rehabilitation Services (CNRS) pilot for children; Development Grant - Residential Services Pilot for Children with Complex Behavioral Needs; and Development Grant - Residential Service Pilot for Adults Transitioning Out of Correctional Environments; and
  - Workforce Support: One-time Recruitment/Retention Provider Payments.

Response: Iowa confirms that all the activities listed in the projects noted above are targeted at providers delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B.

2. Explain how the “Targeted Case Management Assistance with Waiver Applications” activity will supplement and not supplant existing state funds expended for Medicaid HCBS as of April 1, 2021.

Response: Iowa has revised the title of this project to Assistance with application, care coordination, and referral to services, and confirms that activity will supplement and not supplant existing state funds expended for Medicaid HCBS. This will be a new support available for applicants seeking HCBS Waiver services. Currently individuals seeking HCBS are only eligible to receive HCBS waiver case management services once approved for an HCBS waiver. The state plan targeted case management service is limited to individuals who are part of the target population. This includes adults who are identified with a primary diagnosis of intellectual disability, chronic mental illness, or developmental disability; or a child who is eligible to receive HCBS intellectual disability waiver services or HCBS children’s mental health waiver services. The spending plan narrative has been updated to reflect this clarification.

3. Under the “Development Grant-Residential Services Pilot for Children with Complex Behavioral Needs,” confirm whether the Psychiatric Medical Institution for Children providers are delivering services in an institutional setting. Please note that an initiative serving individuals in an institutional setting would not be approvable under ARP section 9817.

Response: Iowa confirms that should a Psychiatric Medical Institution for Children (PMIC) provider apply to develop the residential services for children with complex behavioral needs that they would be delivering the services in a community-based setting. The spending plan narrative has been updated to reflect that these services are to be delivered in community-based settings.

4. Clearly indicate whether your state plans to pay for ongoing internet connectivity costs as part of any of the activities under the “Expand Remote Support through HCBS Provider Technology grants” activity.

Response: Iowa confirms that the state does not plan to pay for ongoing internet connectivity costs as part of any of the activities under the “Expand Remote Support through HCBS Provider Technology grants” activity. The state has updated the spending plan narrative to reflect this exclusion.

5. Describe how each of the four types of Development Grants will expand capacity and will enhance, expand, or strengthen HCBS under the Medicaid program.

Response: Each of the Development Grants will expand and strengthen the HCBS program by creating residential options for the most difficult to serve HCBS eligible members. DHS has updated the spending plan narrative to include a description of how each pilot project will expand capacity and enhance, expand, and strengthen HCBS under the Medicaid program.

We are incredibly grateful for the opportunity to use these dollars to boost the capacity and quality of community-based services in our community. We welcome the opportunity to further discuss or clarify Iowa’s proposed projects as outlined above and in our spending plan and narrative quarterly report.

The designated contact for future communication and questions is listed below:

LeAnn Moskowitz, LTSS Policy Specialist, 515-321-8922, [lmoskow@dhs.state.ia.us](mailto:lmoskow@dhs.state.ia.us)

Sincerely,

A handwritten signature in black ink, reading "Elizabeth Matney". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Elizabeth Matney  
Iowa Medicaid Administrator

## **Introduction**

### **Executive Summary**

For 2021, Governor Reynolds advised that one of her primary goals includes recognizing the value and importance of home-and-community–based care for aging Iowans and individuals with disabilities and the difference these services make in maintaining health and quality of life. Health care is changing, and Iowa must adapt. We must identify new ways to provide quality, sustainable care that meets the needs of our communities. The temporary 10 percentage point increase to the FMAP for certain Medicaid expenditures for HCBS will allow the State to enhance, expand, and strengthen, Iowa’s Medicaid HCBS Waiver programs.

In Iowa, the Medicaid Agency is a Division within the Department of Human Services (DHS). Iowa Medicaid offers a wide range of HCBS programs. The enclosed summary provides a snapshot of the work that DHS hopes to implement. To enhance and strengthen the HCBS programs in response to the COVID-19 pandemic, the proposed initiatives will provide increased support to service providers, increase access to services for Medicaid beneficiaries, as well as offer incentives and relief to the HCBS direct service workforce. In doing so, HCBS providers will regain financial stability and long-term services and supports (LTSS) will be enhanced and strengthened.

### **Introduction**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) (Pub. L. 117-2). Section 9817 of the ARPA provides qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS programs from April 1, 2021, through March 31, 2022. States must use the federal funds attributable to the increased FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021. In addition, states must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.

### **Stakeholder Feedback**

DHS began soliciting feedback from members and stakeholders beginning with the initial enactment of the ARPA. Stakeholder feedback regarding the use of the enhanced FMAP was gathered through individual meetings, existing stakeholder workgroups, direct emails, and the submission of project proposals from the following stakeholder organizations:

Iowa Association of Community Providers

- ◆ The Coalition for Family & Children’s Services in Iowa
- ◆ The Brain Injury Alliance of Iowa
- ◆ The Iowa Coalition for Integration and Employment
- ◆ Immanuel Pathways PACE organization

- ◆ Siouxland PACE organization
- ◆ Iowa Caregivers Association

DHS also solicited feedback from the public for strategies to improve the quality and access to Medicaid Home and Community Based Services through public notice and a town hall meeting held July 8, 2021. One hundred and ten entities registered to participate in the town hall. Town hall attendance included service recipients and their family members, service providers, provider associations, advocacy organizations, legislators and state and local leaders. The public notice may be accessed here: <https://dhs.iowa.gov/public-notices/arpa>

Three central themes arose out of the feedback received from stakeholder. Those themes include increased training and support, expanding access to services for members, and workforce support. DHS has described the proposed projects for each of these themes in the spending plan narrative presented below.

Since the submission of the preliminary spending plan and narrative, Iowa Medicaid held member and provider town halls during August and September 2021 and will continue hold monthly town halls with members and providers to solicit feedback on the proposed projects and other topics of interest. Several ongoing stakeholder workgroups were also held in August and September 2021 and those participants also offered additional input into Iowa's spending plan and narrative.

## **Spending Plan Narrative**

### **Proposed Activities**

The following provides an overview of Iowa's Initial HCBS spending plan and includes each proposed activity, budget information, estimated timeline for implementation, and sustainment requirements. Each proposed project demonstrates Iowa's investment in the HCBS infrastructure to enhance, expand and improve HCBS.

Based on the outcome of the pilot projects, DHS will consider submitting an 1115 demonstration, 1915(c) amendment or a 1915(i) state plan amendment to continue the projects beyond the expenditure period. The proposed projects are divided into three sections which include:

- 1) Increased training and support, *including investment in the HCBS infrastructure including a statewide training system may provide consistent, innovative, and more efficient training opportunities to staff in all areas of the state and across provider types.*
- 2) Expanding Access to services for members, *including investment in a statewide analysis of the behavioral health, disability and aging service system, expansion of remote support and implementation of several pilot programs to address existing gaps in care.*
- 3) Workforce support, *including expansion of the direct support worker registry and one-time recruitment and retention payments for providers.*

### **Increased Training and Support**

**Budget: \$80,000,000**

Home and Community Based Service providers work diligently to provide comprehensive training to their staff however there may be spaces in which training is needed to provide more specialized care and expand services to individuals with more complex needs. Training can be challenging to find and expensive for provider agencies to seek out individually. Investment in a statewide training system will support consistent, innovative, and more efficient training opportunities to staff in all areas of the state and across provider types.

#### **Provider Training Platform**

Activity Overview: Enhance the provider training platform under development by purchasing provider training modules and content which will include such topics as:

- ◆ Positive Behavioral Supports (PBS)
- ◆ The Fatal Five
- ◆ Population Health Management
- ◆ Critical incident investigation,
- ◆ Person Centered Service Planning - IntellectAbility
- ◆ Rights and Restrictions,
- ◆ Employment Supports
- ◆ Serving Individual's with Brain Injury
- ◆ Serving individuals with multi-occurring diagnosis, and/or complex medical needs,
- ◆ Serving individuals with sexualized behavioral problems

DHS, Iowa Medicaid Enterprise, will partner with the University of Iowa Centers for Excellence in Developmental Disabilities (UCEDD) to develop a training platform for HCBS providers. The training platform will require content to be developed and or purchased.

Targeted Providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.
- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response and Subacute Mental Health service providers.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services



Timeline: Effective July 1, 2022

- ◆ The training platform will be functional July 1, 2022
- ◆ Effective January 1, 2022
  - Development and/or purchase of training content by January 1, 2022.

Sustainability plan:

- ◆ Ongoing funding support through the MFP Supplemental funding through 2024 dependent upon CMS MFP budget approval.
- ◆ Will require legislative appropriations to sustain the training platform and training content if federal funding for MFP ends or changes are made to the current MFP grant guidelines.

### **HCBS Employee Training and Scholarship Grant Program**

Activity Overview: Grants would serve the purpose of assisting qualified HCBS providers to fund employee training and scholarships for education and training in nursing, behavioral health, and other health care fields. Grant funds must be used to cover costs related to training and education that will enhance the quality of direct services provided and/or cover the costs related to a course of study that is expected to lead to career advancement with the provider or in the HCBS field. Potential uses of scholarship funding include:

- ◆ ISTART certification
  - ◆ Positive Behavioral Supports (PBS) certification
  - ◆ Certified Brain Injury Specialist (CBIS) certification
  - ◆ Crisis Response certification
  - ◆ Behavioral Health Technician certification
  - ◆ Employment Support Specialist certification
  - ◆ Medication Aide certification
  - ◆ Tuition for Community College or University Courses in Related Fields
  - ◆ Compensation to direct care staff for time spent in self-study coursework for community health worker apprenticeship programs
  - ◆ Purchase of Self-Study competency-based certification curriculums for employees.
- Estimated Number of Awards unknown
    - Estimated Award Maximum \$100,000
    - Estimated Award Minimum \$15,000

Targeted Providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.

- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response and Subacute Mental Health service providers.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

Timeline: Effective January 1, 2022

- ◆ RFP development
- ◆ RFP Issuance

Sustainability plan: One-time cost

### **Crisis Response Provider Training**

Activity Overview: Deliver Crisis Response provider training targeted at serving members with intellectual disabilities or development disabilities or (ID/DD)

Contract with a Crisis Response Specialist to deliver Crisis Response training focused on the ID/DD population to Behavioral Health Intervention Service (BHIS), Crisis Response, and Subacute Mental Health and HCBS Waiver and Habilitation service providers.

Contract with a Crisis Response Specialist to deliver Train the Trainer Crisis Response training focused on the ID/DD population to Behavioral Health Intervention Service (BHIS), Crisis Response, Subacute Mental Health and HCBS Waiver and Habilitation service providers.

MFP is also supporting the expansion of ISTART statewide.

Targeted Providers:

- 1915(c) HCBS Waiver service providers including but not limited to Brain Injury, Intellectual Disability and Children's Mental Health Waiver service providers.
- 1915(i) HCBS Habilitation service providers.
- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavior Analysis (ABA), Crisis Response and Subacute Mental Health service providers.

Timeline: July 1, 2022

- ◆ RFP
- ◆ Contract

◆ Implementation

Sustainability plan: One-time cost

**Resources and Services for Parents with ID/DD and for Caregivers of Children with ID/DD**

Activity Overview: Develop resources and services for parents with IDD and parents and foster parents/guardians with children with IDD. There is a growing need for resources, training and services that are specific to parents with IDD and parents and foster parents/guardians with children with IDD. In partnership with other DHS departments, this funding will be used to develop resources, training materials and ultimately specialized services for parents with ID/DD and parents and foster parents/guardians of children with ID/DD. This will include support in adaptation of assessments and practices to meet needs of children and parents with disabilities.

The goal will be to help parents with ID/DD and parents or foster parents/guardians of children with ID/DD learn strategies and techniques, so they are better able to provide appropriate care for their children and address concerns and challenges presented by their child/children with the goal of maintain the family unit. Additional training will include healthy relationship training. DHS, Iowa Medicaid will collaborate with other DHS units to create cross-system support and access to these resources. Outcomes will be tracked to support future efforts to secure similar funding if the initiative is successful.

Timeline: July 1, 2022

- ◆ Planning
- ◆ Training content and resource development
- ◆ Communication
- ◆ Training
- ◆ Monitoring

Sustainability plan: One Time. May require a .25 to .50 FTE dedicated to ongoing content and resource development.

**Health IT Infrastructure**

Activity Overview: Develop a provider Health IT Infrastructure grant for provider. The movement of the system towards increased outcome monitoring and better continuity of care will take an investment in infrastructure for our HCBS providers. Potential uses of scholarship funding include:

- Purchase of electronic health record (EHR) platforms, updating EHRs.
- Purchase of electronic service record software.
- Purchase of telehealth equipment and software.
- Purchase of software that replace dependency on manual processes.

- Training and development costs for use of EHR.
- Training and development costs for data management, data mining, and use of data in population health management.
- ♦ Estimated Number of Awards Unknown
  - Estimated Award Maximum \$200,000
  - Estimated Award Minimum \$30,000

Targeted Providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.
- Rehabilitation Service providers including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response and Subacute Mental Health service providers.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

Timeline: Effective January 1, 2022

- ♦ Development of the grant application and fund distribution process.
- ♦ Issuance of the grant application announcement.
- ♦ Receipt and processing of grant applications.
- ♦ Distribution of funds to applicants.

Sustainability plan: One-time cost

**Expanded Access**

**Budget: \$84,000,000**

Provider and service access across the state can be a barrier for a number of reasons. Providers may be willing to expand services geographically or enhance services for those individuals with complex or specialized needs but lack the up-front investments and resources

needed to do so. Utilizing this funding to invest in sustainable provider expansion is critical at a time where need is increasing.

### **Behavioral Health, Aging, and Disability Services System Evaluation (Study)**

Activity Overview: Contract with a vendor to conduct a study and gap analysis of the Behavioral Health, Aging, and Disability Services System including the HCBS Waiver programs. This will include an analysis of the services available, costs and utility of HCBS benefits incorporated into waivers, make recommendations for realignment of the service menus across the Behavioral Health, Aging, and Disability Services System.

Service system realignment should account for the interconnectivity between Medicaid State Plan, HCBS Waivers and MHDS Regional coverage of services and supports.

Contract will include technical assistance and implementation support because of the system evaluation report and findings.

Targeted services for this project include:

- 1915(c) HCBS Waiver service
- 1915(i) HCBS Habilitation service.
- Rehabilitation Services including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response, Subacute Mental Health services, drug, and alcohol services.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

Timeline: Report completed by January 1, 2023

- ◆ Effective December 1, 2021
  - RFP
  - Contract

Sustainability plan: One-time cost to complete the study. Although we are anticipating budget neutrality the recommendations identified in the study may require legislative appropriations to fund the additional expenditures beyond 2024.

### **Behavioral Health, Aging, and Disability Services System Realignment Implementation**

Activity Overview: The state is requesting to reserve a portion of funds to be used on specific areas that are identified as gaps or barriers to access and quality as part of the system evaluation. This will provide the state flexibility to invest in focused activities that will improve the system in a strategic and objective manner. Contract with a vendor to provide implementation support as a result of the system evaluation report and findings. Service system realignment should account for the interconnectivity between Medicaid State Plan, HCBS Waivers and MHDS Regional coverage of services and supports.

Contract will include technical assistance and implementation support as a result of the system evaluation report and findings.

Targeted services include:

- 1915(c) HCBS Waiver service
- 1915(i) HCBS Habilitation service.
- Rehabilitation Services including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response, Subacute Mental Health services, drug, and alcohol services.
- Home Health Care
- Personal Care and Private Duty Nursing Services
- Self-directed Personal Care Services
- School-based services

Timeline: Initiate Implementation Recommendations July 1, 2022

- ◆ Effective January 1, 2022
  - RFP
  - Contract

Sustainability plan: One-time cost to complete the system realignment. Although we are anticipating budget neutrality the recommendations identified in the study may require legislative appropriations to fund the additional expenditures beyond 2024.

### **Assistance with Application, Care Coordination, and Referral to Services**

Activity Overview: Contract with a vendor to assist with the waiver application process to ensure people are applying for the correct waiver based on their needs and assist with care coordination and referral to service tasks as needed.

- ◆ The Department currently contracts with DHS TCM to provide case management services to the HCBS Waiver Fee-for-Service (FFS) populations on the AIDS/HIV,

Health& Disability, and Physical Disability Waivers. The Department could use the same reimbursement methodology to reimburse a vendor for assisting individuals with the wavier application and referral processes. The intent is to provide an intake function, single point of entry, appropriate waiver application, obtaining the necessary documentation to support LOC, and connecting to other DHS services such as in home health related care (IHHR), childcare assistance, supplemental nutrition benefits and rental assistance etc. This project will supplement and not supplant existing state funds expended for Medicaid HCBS as of April 1, 2021. This will be a new support available for applicants seeking HCBS waiver services. Currently individuals seeking HCBS are only eligible to receive HCBS waiver case management services once approved for an HCBS waiver. The state plan targeted case management service is limited to individuals who are part of the target population. This includes adults who are identified with a primary diagnosis of intellectual disability, chronic mental illness, or developmental disability; or a child who is eligible to receive HCBS intellectual disability waiver services or HCBS children's mental health waiver services. This could link with a project to do a one-time screening of the members on the waitlists today.

Target Populations:

- Individuals who need HCBS and other support services and who do not have access to case management or care coordination service including.
- Individual who are not yet Medicaid eligible
- Individuals who are Medicaid eligible and do not have case management
- Individuals with brain injury
- Individuals with physical disabilities
- Individuals who are age 65 and over

Timeline: Effective 07/01/2022

- ◆ Amend the DHS TCM contract
- ◆ Establish the referral processes
- ◆ Establish SOP
- ◆ Administrative Rules – Screening Process

Sustainability plan: May require legislative appropriations to fund the additional expenditures beyond 2024 but the goal is to find a sustainable solution through other mechanisms.

**Development Grant - Community-Based Neurobehavioral Rehabilitation Services (CNRS) pilot for children**

Activity Overview: Building provider capacity through the development of one or more pilots to serve children with neurobehavioral needs in a residential setting to avoid out of state (OOS) placement and hospitalization. This service will be delivered in community-based non-institutional settings.

This project will expand capacity and will enhance, expand, and strengthen HCBS under the Medicaid program by providing an in-state residential service for children with neurobehavioral needs related to brain injury. Currently there is no residential service option for children with neurobehavioral needs that are unable to receive services in the family home due to health and safety issues of the member and/or other family members. Iowa currently has eleven children with neurobehavioral needs that are being served in out of state residential services that could be repatriated back to Iowa if a residential service existed for these children.

- ◆ The long-term expectation is that based on the results of the pilot the residential service for children will be adopted under the state plan Community-based Neurobehavioral Rehabilitation services. The plan for transitioning those children to adult services upon turning eighteen would include transitioning to the HCBS BI Waiver Supported Community Living (SCL) service if their needs can be met by an SCL provider or transitioning to the residential community-based neurobehavioral residential service for adults if the individual requires additional treatment to prepare for transition to SCL. The state reserves slots each year under the HCBS BI Waiver for individuals receiving residential community-based neurobehavioral rehabilitation services and are ready to transition to the HCBS BI Waiver.

- ◆ Estimated Number of Awards 4-8

- \$500,000 per project

Targeted providers:

- Rehabilitation service providers enrolled as Community-based Neurobehavioral Rehabilitation service providers.
  - 1915(c) HCBS BI Waiver service providers
  - Other providers that are qualified through training and experience to serve this population.

Timeline: Effective: January 1, 2022

- ◆ RFP development
- ◆ Competitive bidding
- ◆ Training
- ◆ Implementation

Sustainability plan: Pilot results would be used to support any requested appropriations in subsequent years. Based on the results of the pilot project the state will consider submission of an 1115 demonstration to continue the project after the conclusion of the expenditure period.

#### **Development Grant - Residential Services Pilot for Children with Complex Behavioral Needs**

Activity Overview: Building provider capacity through the development of one or more pilots to serve children with complex behavioral needs in a residential setting to avoid



OOS placement and hospitalization. This service will be delivered in community-based non-institutional settings.

This project will expand capacity and will enhance, expand, and strengthen HCBS under the Medicaid program by providing an in-state residential service for children with complex behavioral needs. Currently there is no community-based residential service options targeted to children with complex behavioral needs that are unable to receive services in the family home due to health and safety issues of the member and/or other family members. At any one-time Iowa has ten to twenty children with complex behavioral needs that are being served in out of state psychiatric residential treatment facilities for children (PRTF) that could be repatriated back to Iowa if a residential service option existed for these children. Iowa also has children in the juvenile detention center that have complex behavioral needs and could benefit from a residential option to facilitate transition from the correctional system. Most of these children would qualify for HCBS services. Iowa is also experiencing children with complex behavioral needs being hospitalized for prolonged periods of time due to the inability to remain in the family home or inability to return to the family home following hospitalization due to health and safety issues of the member and/or other family members. This project would add an essential service to the continuum of care for children in Iowa and prevent long-term institutionalization.

The long-term expectation is that based on the results of the pilot the residential service for children will be adopted under the state plan rehabilitation services, 1915(i) Habilitation program, or the 1915(c) HCBS Brain Injury, Children's Mental Health, or Intellectual Disability Waivers. The plan for transitioning those children to adult services upon turning eighteen would include transitioning to the HCBS BI or ID Waiver Supported Community Living (SCL) service or the HCBS Habilitation home-based habilitation (HBH) service.

- ◆ Estimated number of awards: unknown
  - \$350,000 per project

Targeted providers:

- 1915(c) HCBS BI, ID or CMHW providers
- 1915(i) HCBS Habilitation providers
- Rehabilitation service providers including Behavioral Health Intervention Service (BHIS) providers and Applied Behavioral Analysis (ABA) providers
- Psychiatric Medical Institution for Children (PMIC)

Timeline: Effective: January 1, 2022

- ◆ RFP development
- ◆ Competitive bidding
- ◆ Training
- ◆ Implementation

Sustainability plan: Pilot results would be used to support any requested appropriations in subsequent years. Based on the results of the pilot project the state will consider changes to the 1915(c), 1915(i), Medicaid State plan, or submission of an 1115 demonstration to continue the project after the conclusion of the expenditure period.

**Development Grant - Pilot for Adults Transitioning Out of Correctional Environments**

Activity Overview: Building provider capacity through the development of one or more pilots to serve hard to place adult's transitioning out of a correctional environment. Developing and implementing an array of supportive services to be provided to individuals transitioning out of corrections. This project will include development of a service model and provider resources to support providers in supporting individuals in reentry and community integration. May include adults with physical, cognitive, or behavioral health diagnoses with convictions for violent crimes who have been released from the corrections systems and need ongoing care and support to live successfully in the community. This service will be delivered in community-based non-institutional settings.

This project will expand capacity and will enhance and strengthen HCBS under the Medicaid program by developing and implementing a service model directed at individuals reentering the community after incarceration. There is a limited number of HCBS providers that have the skills or the expertise to serve individuals transitioning out of the corrections system. This project is expected to result in the development of a framework for service provision including mental health training and education package for HCBS staff working with individuals transitioning out of the corrections system.

- \$300,000 per project

Targeted providers:

- 1915(c) HCBS providers
- 1915(i) HCBS Habilitation providers
- Intensive psychiatric residential treatment providers
- Other providers qualified through training and experience to serve this population

Targeted participants:

- Medicaid members who have been released from corrections and are on probation/parole or have served all their time.

Timeline: Effective: January 1, 2022

- ◆ RFP development
- ◆ Competitive bidding
- ◆ Training
- ◆ Implementation

Sustainability plan: Pilot results would be used to support any requested appropriations in subsequent years. Based on the results of the pilot project the state will consider changes to the 1915(c), 1915(i), Medicaid State plan or submission of an 1115 demonstration to continue the project after the conclusion of the expenditure period.

#### **Development Grant - Pilot for Therapeutic Foster Homes**

Activity Overview: Building capacity through the development foster parent trainings and support when caring for children with complex behavioral needs and trauma informed care. Medicaid would support the foster parent and child through necessary constellations of services. This project will enhance and strengthen HCBS under the Medicaid program by building out a process that combines the use of Title IV-E funds for daily living expenses (care and supervision) with an array of HCBS services (care coordination, respite, and family support) for children with severe emotional disturbances to provide children in care with an effective array of services that promote placement stability in family settings and reunification. Therapeutic foster homes are a cost-efficient alternative to congregate care, with improved outcomes for children. Building out the connection between foster care and HCBS services will assist in maintaining more children with SED in family settings and provide a continuity of care that allows them to maintain connection with supportive services as they transition home and out of child welfare services.

This project will also enhance HCBS by strengthening and expanding access to rehabilitative and crisis response services for children with complex behavioral needs by engaging BHIS, Crisis Response, ABA, and other rehabilitative service providers in the development of a robust array of training and support services. This project will also support family reunification and the transitioning of children into state plan HCBS or HCBS waiver services. This project would enhance essential supports within the continuum of care for children in Iowa and prevent long-term institutionalization.

- ◆ \$300,000 per project

Targeted providers:

- Licensed Foster Parents
- Licensed Foster Care Agencies
- 1915(c) HCBS Children's Mental Health Waiver providers
- Qualified Residential Treatment (QRTP) Providers
- Rehabilitation service providers including Behavioral Health Intervention Services (BHIS), Applied Behavioral Analysis (ABA), and other behavioral health service providers.

Timeline: Effective: January 1, 2022

- ◆ RFP development
- ◆ Competitive bidding
- ◆ Training
- ◆ Implementation

Sustainability plan: Pilot results would be used to request appropriations in subsequent years. Based on the results of the pilot project the state will consider submission of an 1115 demonstration to continue the project after the conclusion of the expenditure period.

### **Expand Remote Support through HCBS Provider Technology grants**

Activity Overview: One-time grant to purchase technology and equipment to support the direct delivery of HCBS. Remote Support allows an off-site direct service provider to monitor and respond to a person's health, safety, and other needs using live communication, while offering the person more independence in their home. Remote support uses two-way communication in real time, just like Skype or FaceTime, so a person can communicate with their providers when they need them. This allows for a person to be more independent in their home without a provider being on site. The service also includes supports like sensors that can call for help if a person has fallen or cameras that show who is at the door. The HCBS Waivers currently cover Personal Emergency Response services (PERS) HCBS providers currently use the Night Owl system to provide for overnight monitoring of members who do not require the physical presence of a direct support staff.

One-time grant to purchase technology and equipment to support the direct delivery of HCBS may include:

- ◆ Member monitoring system purchase and installation costs
- ◆ Purchase of tablets or laptops for HCBS service sites/ programs
- ◆ Purchase of tablets or laptops for HCBS members
- ◆ Purchase of software
- ◆ Purchases of telehealth equipment

One-time grant to purchase technology and equipment to support the direct delivery of HCBS may not include:

- ◆ Internet connectivity costs
- ◆ Estimated Number of Awards Unknown
  - Estimated Award Maximum \$50,000
  - Estimated Award Minimum \$10,000

Timeline: Effective: July 1, 2022

- ◆ Fiscal Analysis
- ◆ Planning
- ◆ RFP development
- ◆ SPA
- ◆ Administrative Rules
- ◆ Training
- ◆ Implementation

Sustainability plan: One-time cost

## **Workforce Support**

**Budget: \$113,711,401**

While workforce is a substantial concern for a number of sectors, this is an area of particular concern for Home and Community Based Service providers across the state that has only been made worse by the pandemic. Investing in meaningful and sustainable solutions to attracting and retaining individuals to the important work of Home and Community Based Services is critical.

### **Expand Direct Care Registry**

Activity Overview: Expand the current direct care registry managed by DIA and/or create a platform to include the personal care service providers such as CDAC and CCO employees to record their service area, hours of work, experience, training, credentials, availability for work and waiver program enrollment if applicable.

- ◆ During the 2021 Legislative session, HF672 was introduced. This bill was related to the development of an implementation plan for a centralized direct care workforce database.

Timeline: July 1, 2022

- ◆ Fiscal Analysis
- ◆ Planning
- ◆ RFP development
- ◆ SPA
- ◆ Administrative Rules
- ◆ Training
- ◆ Implementation

Sustainability plan: Requires funding to provide the FTE or contract support to maintain the registry unless it can be absorbed into an existing appropriation or staff function.

### **One-time Recruitment/Retention Provider Payments**

Activity overview: Provider payments would serve the purpose of assisting qualified HCBS providers to fund recruitment and retention of direct support professionals. Grant funds must be used to cover costs related direct support professional wage increases, recruitment, and retention incentive payments to direct support professionals.

Estimated an average of \$2500 (pre-tax) to be paid to 20,000 direct support professionals (including individual and agency providers).

Targeted providers:

- 1915(c) HCBS Waiver service providers
- 1915(i) HCBS Habilitation service providers.

- Rehabilitation Services including Behavioral Health Intervention Service (BHIS), Applied Behavioral Analysis (ABA), Crisis Response, Subacute Mental Health services, drug, and alcohol service providers.
- Home Health Care
- Self-Directed personal care

Timeline: January 1, 2021

- ◆ Develop the provider payment process
- ◆ Identify qualified providers
- ◆ Make payments

Sustainability plan: One-time cost.

## **Budget and Next Steps**

### **Budget**

Iowa Medicaid has provided the spending plan budget in Appendix A.

### **Next Steps**

Iowa Medicaid will continue to develop detailed project plans for each proposed project area. These plans will include clearly articulated goals, timelines, partners, and budget projections. Plan will be modified based on feedback provided by CMS. Once CMS approves the Iowa Spending plan, Iowa Medicaid will schedule additional stakeholder engagement opportunities to continue to refine and implement plans. For projects that require ongoing financial support through legislative appropriation, Iowa Medicaid will develop and submit requests to the State Legislature for review during the next legislative cycle.

## APPENDIX A. Iowa Medicaid Proposed HCBS ARPA Budget 1<sup>st</sup> Quarter Update

The proposed HCBS ARPA Budget submitted for the 1<sup>st</sup> quarter has been updated based on refined data received from the Medicaid actuary. The update budget reflects the reinvestment amount changed from \$103.9M to \$122.1M.

Iowa Department of Human Services

10/12/2021

Home and Community-Based Services (HCBS)

Spending Plan for American Rescue Plan Act (ARPA)

Enhanced Federal Funding

### I. Reinvestment Calculation

	FFY 21	FFY 21	FFY 22	FFY 22	Total
	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	All Quarters
Base HCBS Expenditures	258,457,112	258,457,112	258,457,112	258,457,112	1,033,828,447
10% Reinvestment Amount	25,845,711	25,845,711	25,845,711	25,845,711	103,382,845
Rate Increase Expenditures	-	-	-	5,555,556	5,555,556
10% Reinvestment Amount	-	-	-	555,556	555,556
EVV Adjustment	(956)	(1,000)	(1,000)	(1,000)	(3,956)
<b>Combined Reinvestment Amount</b>	<b>103,934,444</b>				

### II. Spending Plan Detail

	FFY21	FFY21	FFY22	FFY22	FFY22	FFY22	FFY23	FFY23	FFY23	FFY23	FFY24	FFY24		
	2021	2021	2021	2022	2022	2022	2022	2023	2023	2023	2023	2024	Total	State
	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	All Quarters	
Increased Training and Support	-	-	-	5,880,556	5,630,556	9,784,127	9,784,127	9,784,127	9,784,127	9,784,127	9,784,127	9,784,127	80,000,000	40,000,000
Expanded Access	-	-	-	5,000,000	5,000,000	6,285,714	6,285,714	12,285,714	12,285,714	12,285,714	12,285,714	12,285,714	84,000,000	42,000,000
Workforce Support	-	-	-	19,459,356	19,459,356	20,459,356	12,555,556	12,555,556	12,555,556	5,555,556	5,555,556	5,555,556	113,711,401	41,476,501
Total Cost	-	-	-	30,339,911	30,089,911	36,529,197	28,625,397	34,625,397	34,625,397	27,625,397	27,625,397	27,625,397	277,711,401	
State Share Reinvestment Amount	-	-	-	10,861,654	12,682,590	15,902,233	12,795,454	15,795,454	15,795,454	13,214,554	13,214,554	13,214,554	123,476,501	123,476,501

Required reinvestment amount 103,934,444

Reinvestment amount obligated 123,476,501

# Iowa HCBS Spending Plan and Narrative Quarter 1 Update October 2021

Iowa Department of Human Services Home and Community-Based Services (HCBS) Spending Plan for American Rescue Plan Act (ARPA) Enhanced Federal Funding															10/11/2021
<b>I. Reinvestment Calculation</b>															
		FFY 21	FFY 21	FFY 22	FFY 22	Total									
		Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	All Quarters									
Base HCBS Expenditures		288,472,300	308,896,094	308,896,094	308,896,094	1,215,160,582									
10% Reinvestment Amount		28,847,230	30,889,609	30,889,609	30,889,609	121,516,058									
Rate Increase Expenditures		-	-	-	19,459,356	19,459,356									
10% Reinvestment Amount		-	-	-	1,945,936	1,945,936									
EVV Adjustment		(956)	(1,000)	(1,000)	(1,000)	(3,956)									
<b>Combined Reinvestment Amount</b>		<b>123,458,038</b>													
<b>II. Spending Plan Detail</b>		FFY21	FFY21	FFY22	FFY22	FFY22	FFY22	FFY23	FFY23	FFY23	FFY23	FFY24	FFY24	Total	State
		2021	2021	2021	2022	2022	2022	2022	2023	2023	2023	2023	2024		
Activity	Service Category	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	All Quarters	
Provider Training Platform	Increased Training and Support	-	-	-	325,000	75,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	20,000,000	10,000,000
HCBS Employee Training and Scholarship Grant Program	Increased Training and Support	-	-	-	3,333,333	3,333,333	3,333,333	3,333,333	3,333,333	3,333,333	3,333,333	3,333,333	3,333,333	30,000,000	15,000,000
Crisis Response Provider Training	Increased Training and Support	-	-	-	-	-	714,286	714,286	714,286	714,286	714,286	714,286	714,286	5,000,000	2,500,000
Resources and Services for Parents with ID/DD and for Caregivers of Children with ID/DD	Increased Training and Support	-	-	-	-	-	714,286	714,286	714,286	714,286	714,286	714,286	714,286	5,000,000	2,500,000
Health IT Infrastructure	Increased Training and Support	-	-	-	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	2,222,222	20,000,000	10,000,000
Behavioral Health, Aging, and Disability Services System Evaluation (Study)	Expanded Access	-	-	-	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111	10,000,000	5,000,000
Behavioral Health, Aging, and Disability Services System Realignment Implementation	Expanded Access								6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	30,000,000	15,000,000
Targeted Case Management (TCM) Assistance with waiver applications	Expanded Access	-	-	-	-	-	285,714	285,714	285,714	285,714	285,714	285,714	285,714	2,000,000	1,000,000
Development Grant: Community-based Neurobehavioral Rehabilitation Services (CNRS) pilot for children	Expanded Access	-	-	-	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	12,500,000	6,250,000
Development Grant - Residential services pilot for children with complex behavioral needs.	Expanded Access	-	-	-	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	1,388,889	12,500,000	6,250,000
Development Grant - Residential service pilot for adults transitioning out of correctional environments.	Expanded Access	-	-	-	555,556	555,556	555,556	555,556	555,556	555,556	555,556	555,556	555,556	5,000,000	2,500,000
Development Grant – Therapeutic foster home pilot.	Expanded Access	-	-	-	555,556	555,556	555,556	555,556	555,556	555,556	555,556	555,556	555,556	5,000,000	2,500,000
Expand Remote Support through HCBS Provider Technology grants	Expanded Access				-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	7,000,000	3,500,000
Expand Direct Care Registry	Workforce Support	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	7,000,000	3,500,000
One Time Recruitment/Retention Provider Payments	Workforce Support	-	-	-	19,459,356	19,459,356	19,459,356	11,555,556	11,555,556	11,555,556	4,555,556	4,555,556	4,555,556	106,711,401	37,976,501
<b>Total Cost</b>		-	-	-	30,339,911	30,089,911	36,529,197	28,625,397	34,625,397	34,625,397	27,625,397	27,625,397	27,625,397	277,711,401	
<b>State Share Reinvestment Amount</b>		-	-	-	10,861,654	12,682,590	15,902,233	12,795,454	15,795,454	15,795,454	13,214,554	13,214,554	13,214,554	123,476,501	123,476,501
<b>Required reinvestment amount</b>	123,458,038														
<b>Reinvestment amount obligated</b>	123,476,501														
<b>State Match Rates</b>															
State Match - FMAP		22.05%	22.05%	21.66%	27.86%	37.86%	37.86%	36.87%	36.87%	36.87%	36.87%	36.87%	36.87%		
State Match - 50% Admin		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%		